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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Cynthia A. McKinney
House of Representatives
124 Cannon House Office Building
Washington, DC 20515

92-266

Dear Congresswoman McKinney:

Thank you for your letter expressing concern about how our regulations implementing the Cable Television Consumer Protection and Competition Act of 1992 may adversely affect small cable systems, especially those serving rural areas.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service regulations are also under reconsideration. Accordingly, your comments are being made part of the record of those proceedings (MM Docket No. 92-266 and MM Docket No. 92-263, respectively).

Sincerely,

[Signature]
Roy J. [redacted]
Chief, Mass Media Bureau

Enclosure

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July 21, 1993

Mr. James H. Quello
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Mr. Chairman:

This letter is to urge the FCC to reconsider rate regulation rules with particular attention to the service provided to rural America by small cable television systems with less than 1,000 subscribers -- and the unique problems and costs faced by small systems. The people of Georgia have a special understanding of the burdens faced by small systems. Many of my constituents reside in sparsely populated counties, like Greene and Glascock, where only small operators have been willing to offer multi-channel video programming. Without the services of these small operators many people in my district would be reduced to minimum programming. As you know, Congress specifically provided for the reduction of administrative burdens on small systems in the context of rate regulation. Nevertheless, there is no meaningful provision in the FCC's rate regulations as they now stand to reduce administrative burdens on small systems. Nor do the small variations in the Commission's benchmark s take into account the substantial impact of limited subscriber bases or low subscriber density (measured in subscribers per mile) on per subscriber costs.

In developing the new rules, the Commission should be wary of imposing excessive administrative burdens on small systems, which could be forced to cut back on service or even shut down if the FCC fails to moderate the burdens it imposes on them. The intent of Congress in passing the Cable Television Consumer Protection and Competition Act of 1992 was not to hinder the growth of the cable television industry or the expansion of cable programming services.

The imposition of industry-wide standards on small systems in other areas also may have detrimental effects. For example, under the new customer service rules, systems may be required to make substantial

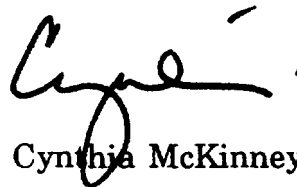
investments in equipment and even to hire additional personnel in order to meet telephone answering requirements and repair/installation deadlines. These requirements will impact disproportionately on small operators, who will have to spend a higher percentage of their revenues on their efforts to meet the very same standards as large, metropolitan systems.

In view of the limited revenue potential of small systems and their comparably higher costs, the FCC should design special rules to regulate systems with less than 1,000 subscribers, especially in the areas of rate regulation and customer service.

The valuable service provided by small operators to residents of Georgia and throughout the country should be encouraged and regulation should be tailored so as not to adversely affect the ability of rural cable systems to extend their services to sparsely populated areas. The 1992 Cable Act provides the Commission with discretion to separately regulate small systems and, where appropriate, exempt those systems from the rules or waive the rules in order to accommodate the special circumstances in which these systems operate.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia', with a stylized flourish at the end.

Cynthia McKinney M.C.

CAM:ah